

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-01  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07  
PA-01 PRS-01 NRC-05 IO-13 /122 W  
-----043586 132359Z /63

P 132337Z JUL 77

FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC PRIORITY 4103  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 06249

USEEC

DEPARTMENT FOR NYE AND AMBASSADOR ENDERS

EO 11652: GDS  
TAGS: ENRG, MNUC, TECH, CA  
SUBJECT: MEETING BETWEEN TRUDEAU AND SCHMIDT ON NUCLEAR  
COOPERATION

1. SUMMARY. CHANCELLOR SCHMIDT MET WITH PM TRUDEAU TO  
GIVE POLITICAL IMPULSE TO SOLUTION OF DIFFICULT PROBLEMS  
IN GOC/EC NUCLEAR NEGOTIATIONS. DISCUSSION FOCUSED ON RE-  
PROCESSING PROBLEM. BOTH AFFIRMED COMMITMENT TO NUCLEAR  
NON-PROLIFERATION; STRONG SUPPORT OF INFCEP; AND  
COOPERATION TO STRENGTHEN IAEA SAFEGUARD FUNCTIONS. PM  
SAID GOC PREPARED TO CONSIDER "INTERIM ARRANGEMENTS" TO  
OPEN SUPPLY OF URANIUM TO EURATOM AND REPROCESSING, IF  
NECESSARY, (SUBJECT TO PRIOR CONSULTATION) DURING PERIOD  
OF INFCEP STUDY. END SUMMARY.

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2. SCICOUNS MET WITH LABERGE ON 13 JULY AND WAS BRIEFED ON  
SCHMIDT DISCUSSIONS WITH TRUDEAU ON NUCLEAR COOPERATION.  
LABERGE SAID JAMIESON CALLED VANCE AFTER SCHMIDT MEETING  
AND INFORMED HIM OF CONCLUSIONS INCLUDING JOINT STRONG  
SUPPORT FOR INFCEP IF STUDY RIGOROUS, BROAD IN PARTICI-  
PANTS, UNBIASED, AND "HONEST" IN SEARCH FOR ALTERNATIVES.

3. SCHMIDT STRESSED TO TRUDEAU HE DID NOT SPEAK FOR EURATOM AS A WHOLE BUT ANXIOUS FOR EARLY SOLUTION TO CURRENT GOC/EC IMPASSE IN NEGOTIATIONS, AND RESUMPTION OF SHIPMENTS OF CANADIAN URANIUM TO EC COUNTRIES. DISCUSSIONS PRIMARILY POLITICAL IN NATURE, ACCORDING TO LABERGE, AND THE PM AND CHANCELLOR DISCUSSED ONLY MOST "HIGHLY VISIBLE" CURRENT PROBLEM IN NEGOTIATIONS, NAMELY REPROCESSING. DID NOT DISCUSS TECHNOLOGY TRANSFER OR PROBLEM OF SAFEGUARDS FOR CANADIAN MATERIALS IN FRANCE. TEXT OF STATEMENT AFTER MEETING AS FOLLOWS: BEGIN QUOTE. THE CHANCELLOR AND THE PRIME MINISTER DISCUSSED THE MATTER OF NUCLEAR CO-OPERATION.

THEY EACH STRESSED THEIR CONTINUING COMMITMENT TO NON-PROLIFERATION IN THE LIGHT OF THEIR ADHERENCE TO NPT AND THEIR COMMON MEMBERSHIP IN THE IAEA AND THE NUCLEAR SUPPLIERS' GROUP.

THEY AGREED TO CO-OPERATE IN STEPS TO STRENGTHEN THE CAPACITY OF THE IAEA TO FUNCTION AS THE CENTRAL AGENCY OF AN INTERNATIONAL SYSTEM TO ASSURE NON-PROLIFERATION.

THEY COMMITTED THE FEDERAL REPUBLIC OF GERMANY AND CANADA TO AN INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION PROGRAM (INFCEP) THAT WILL ASSESS ALL POSSIBILITIES OF THE PEACEFUL USE OF NUCLEAR ENERGY ON A WORLD-WIDE BASIS AND WILL

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ALSO SERIOUSLY ADDRESS THE IMPLICATIONS OF THE PLUTONIUM ECONOMY, INCLUDING REPROCESSING AND FAST BREEDER REACTORS, AS WELL AS THOSE OF ALTERNATIVE FUEL CYCLES IN TERMS OF NON-PROLIFERATION. THEY BELIEVED THAT, FOR MAXIMUM EFFECT, PARTICIPATION IN THE PROGRAM SHOULD BE BROADLY BASED.

AS REGARDS THE MATTER OF REPROCESSING, WHICH IS ONE OF THE KEY ISSUES CURRENTLY HOLDING UP AGREEMENT BETWEEN CANADA AND EURATOM, THE PRIME MINISTER SAID THAT CANADA WOULD BE PREPARED TO CONSIDER INTERIM ARRANGEMENTS WHICH, WITHOUT DEPARTING FROM CANADA'S NON-PROLIFERATION OBJECTIVES, WOULD ENABLE SUPPLIES OF CANADIAN URANIUM TO GO FORWARD TO EURATOM COUNTRIES FOR THE DURATION OF THE INFCEP STUDY IN SUCH A WAY AS NOT TO PREJUDGE ITS OUTCOME. THE CHANCELLOR AND THE PRIME MINISTER AGREED THAT THE IDEAS DISCUSSED BETWEEN THEM WOULD ASSIST IN THE ADVANCEMENT OF THE NEGOTIATIONS BETWEEN CANADA AND EURATOM.

A POSSIBLE BASIS FOR EXPLORATION IN THESE NEGOTIATIONS WOULD BE AN INTERIM ARRANGEMENT FOR THE PERIOD OF THE INFCEP STUDY UNDER WHICH CANADA, SUBJECT TO PRIOR

CONSULTATION AND ON THE UNDERSTANDING THAT CANADIAN SUPPLIES WOULD BE LIMITED BROADLY TO CURRENT NEEDS, WOULD AGREE TO THE REPROCESSING OF CANADIAN-ORIGIN URANIUM, IF THE NEED AROSE, IN PLANTS CURRENTLY OPERATING OR FORESEEN TO BE OPERATING IN THE EURATOM COUNTRIES IN THAT PERIOD. THE POSITION WOULD BE REVIEWED AT THE END OF THAT PERIOD IN THE LIGHT OF THE CONCLUSIONS OF THE INFCEP STUDY AND WITH A VIEW TO INCORPORATING THESE CONCLUSIONS IN INTERNATIONAL ARRANGEMENTS. THE PRIME MINISTER INDICATED THAT,

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C O N F I D E N T I A L SECTION 02 OF 02 OTTAWA 06249

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IN THE ABSENCE OF INTERNATIONAL ARRANGEMENTS SATISFACTORY TO CANADA AT THAT TIME, CANADA MAINTAINED ITS POSITION THAT ITS PRIOR CONSENT WOULD BE NEEDED TO THE REPROCESSING OF CANADIAN NUCLEAR MATERIAL. END QUOTE.

4. COMMENT: STATEMENT SOMEWHAT AMBIGUOUS AND HAS "SOMETHING FOR EVERYONE". LABERGE SAID SCHMIDT WENT AWAY BELIEVING HE BROKE THE NEGOTIATIONS BOTTLENECK; GOC MINISTERS THINK THEY SOLD INFCEP TO EC; GOC EXTAFF THINKS THERE MUST BE AGREEMENT WITH EC ON OTHER TWO CRITICAL PROBLEMS: 1) TECHNOLOGY TRANSFER AND 2) SAFEGUARDS IN FRANCE, BEFORE ANY URANIUM WILL BE SHIPPED. FROM U.S. STANDPOINT THE MEETING APPEARS TO HAVE AT LEAST BROUGHT FRG ABOARD ON INFCEP. DUEMLING

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## Message Attributes

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**TAGS:** ENRG, MNUC, TECH, CA, (SCHMIDT, HELMUT), (TRUDEAU, PIERRE ELLIOT)  
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